American Government: Chapter 16, Sections 1 and 2

Focus Questions–15 pts

Due End of Class-10/28/2013

Read Chapter 16, Sections 1 and 2 **before** completing this handout.

**Section 1**

Define:

Fiscal Policy:

Progressive Tax:

Regressive Taxes:

Excise Tax:

Estate tax:

Gift tax:

Customs Duties:

Interest:

How does the Constitution limit the power to tax?

How does a direct tax differ from an indirect tax?

What programs do payroll taxes support?

What are three examples of federal nontax revenue?

**Section 2**

Define:

Deficit:

Surplus:

Demand-side Economics:

Supply-Side Economics:

Public Debt:

Re-Read Keynesian economics on page 464.

Who John Maynard Keynes?

Paraphrase this section to explain Keynesian economics:

How does the federal government borrow money?

What makes up the public debt?

What do you think are the long term consequences of ongoing deficit spending?